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Helping the Farmer Adjust his Debts.

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U. S. Department of Agriculture



FARM DEBT
ADJUSTMENT

U. S. DEPARTMENT OF AGRICULTURE
RESETTLEMENT ADMINISTRATION

WASHINGTON, D. C.

●WHAT CAN A FARMER DO WHO IS WORRIED ABOUT HIS DEBTS?

Thousands of farmers are solving debt problems by taking them up with county Farm Debt Adjustment Committees. These Committees are at the service of farmers in every State, *without cost*.

The job of these Committees is to act as mediators between farmers and their creditors to arrange settlements of excessive debts, and recommend ways of avoiding foreclosures.

●WHO SERVES ON DEBT ADJUSTMENT COMMITTEES?

The Committees are made up of neighbors—farmers, doctors, lawyers, and business men—who are known for their fairness and good judgment. The men and women who serve on them are residents of the same county in which the farmer's home or property is located. Members of Committees are glad to give their services without pay to aid their neighbor straighten out his debts, within his ability to pay.

●WHY IS FARM DEBT ADJUSTMENT WORK CARRIED ON?

Farm Debt Adjustment Committees act with the idea of helping the farmer who fell behind in his payments because of the depression, drought, floods, or other causes over which the debtor had no control. Many farmers went into debt at a time when prices were much higher than now. Unfavorable conditions cut down their farm income, so that now they find themselves loaded down with debts which they are unable to pay.

The Debt Adjustment Committees bear these facts in mind when they are looking into a case. They realize that if such cases cannot be adjusted by friendly agreements satisfactory to the farmer and his creditors, foreclosure or bankruptcy will probably follow.

●HOW DO THE COMMITTEES WORK?

The Committee asks the farmer who is applying for help to list all of his creditors and give a history of his financial difficulties. After going over the case, the Committee makes suggestions for reaching a fair settlement.

The Committees have developed several effective ways of adjusting farmers' debts. In working out these adjustments, each case is considered on its own merits, and the special needs of the farmer and his creditors are taken into account.

Committees have no legal right to enforce their recommendations, but they perform a valuable service in a neighborly way for the benefit of the farmer and his creditors.

● MAY A CREDITOR APPLY FOR AID?

Creditors as well as debtors may request the aid of a Committee. Through the efforts of a Committee, a creditor is often able to avoid expenses and losses which would have resulted if he had gone to court. The purpose of the Committees is to help both the creditor and the debtor.

● WHAT HAVE THEY ACCOMPLISHED?

Over an 18-month period—from September 1, 1935 to March 1, 1937—Committees adjusted the debts of 51,400 farmers. The total debts of these farmers amounted to \$167,643,929. The Committees reduced them to \$124,977,330. In other words, farmers were cleared of \$42,666,599 in debts, a reduction of 25.6 percent. Committees have settled as many as 500 cases in a single county. This success has been due largely to the cooperation of such creditors as banks, insurance companies, and merchants, who realize that a voluntary settlement is the best way of saving the farmer's home and of protecting their own investments.

● DO THESE COMMITTEES COOPERATE WITH FEDERAL AGENCIES?

In working out a plan of adjustment for a farmer, the Committee often gets the full cooperation of Government lending agencies. By applying to the Resettlement Administration for farm debt adjustment, the farmer does not hurt his chances of getting a loan from the Federal Land Banks, the Land Bank Commissioner, Production Credit Associations, Emergency Crop and Feed Loan Section, or other credit agencies.

● ARE COMMITTEE MEMBERS PAID?

Committee work is done on a voluntary basis. The men and women who give their services to it understand what the farmer's problems are. In a neighborly spirit they are trying to help their fellow citizens, and, in turn, benefit the community. The Resettlement Administration pays them back for part of their actual out-of-pocket expenses incurred in attending meetings. Otherwise, their services are without pay.

● ARE COMMITTEE HEARINGS CONFIDENTIAL?

Debt-adjustment service is carried on in strict confidence and causes no embarrassment to either the debtor or the creditor.

● WHERE CAN A FARMER APPLY FOR HELP?

A farmer can apply for help from any Committee member in his county or to the County Rural Rehabilitation Supervisor, the District Farm Debt Adjustment Supervisor of the Resettlement Administration, or the County Agent. The farmer has only to let any of them know that he wants aid in adjusting his debts.

If information cannot be obtained locally, write the United States Department of Agriculture, Resettlement Administration, Washington, D. C. Attention: Farm Debt Adjustment Section.